

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 04175 101914Z

70

ACTION ARA-20

INFO OCT-01 AF-10 EUR-25 EA-11 NEA-14 ISO-00 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 EB-11 FEA-02

FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01

PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

PA-04 PRS-01 USIA-15 FRB-02 XMB-07 OPIC-12 LAB-06

SIL-01 DRC-01 /257 W

----- 110859

R 101700Z MAY 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3758

INFO AMEMBASSY BEIRUT

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

USMISSION OECD PARIS

LIMITED OFFICIAL USE CARACAS 4175

E.O. 11652: N/A

TAGS: ENRG, VE

SUBJECT: VENEZUELA CONTEMPLATING INCREASE IN OIL PRICES

1. OFFICIALS IN VENEZUELAN GOVERNMENT OFFICE CHARGED WITH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 04175 101914Z

STUDYING PRICE TRENDS AND MAKING RECOMMENDATIONS, WHICH ARE

OFTEN DECISIVE, ON VENEZUELAN PETROLEUM TAX REFERENCE VALUES (OFFICE OF PETROLEUM ECONOMICS) BELIEVE THAT TRENDS OF PRICE AND TAX TAKE IN OTHER PRODUCER COUNTRIES NOW JUSTIFY ANOTHER PRICE INCREASE BY VENEZUELA. RAMSEY MICHELENA, CHIEF OF OFFICE OF PETROLEUM ECONOMICS, TOLD PETROLEUM ATTACHE MAY 9 THAT HE EXPECTS VENEZUELA WILL INCREASE ITS TAX TAKE IN NEAR FUTURE, BUT NOT BEFORE NEXT OPEC MEETING JUNE 15. MICHELENA CITED AS JUSTIFICATION: 60 PERCENT PARTICIPATION DEALS IN MIDDLE EAST; NEW ARRANGEMENTS THAT WOULD GIVE QATAR AND OMAN 93 PERCENT OF POSTED PRICE; AND NIGERIAN 55 PERCENT PARTICIPATION SCHEME WITH BUY-BACK OF OIL AT \$13 PER BARREL.

2. EMBASSY DOES NOT KNOW AT THIS POINT WHAT MEANS VENEZUELA WOULD USE, IF IT DECIDED TO INCREASE ITS TAX TAKE. IT COULD PROCEED IN TRADITIONAL WAY WITH INCREASE IN PETROLEUM TAX REFERENCE VALUES, OR IT COULD USE AUTHORITY WHICH GOVERNMENT HAS REQUESTED FROM CONGRESS, AND WILL ALMOST CERTAINLY RECEIVE, TO LEVY EXCESS PROFITS TAXES ON PETROLEUM COMPANIES OPERATING HERE.
MCCLINTOCK

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, ECONOMIC PROGRAMS, PRICE TRENDS, TAX CHANGES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA04175
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740115-0540
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740559/aaaabzyz.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 25 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 MAR 2002 by collinp0>; APPROVED <07 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VENEZUELA CONTEMPLATING INCREASE IN OIL PRICES
TAGS: ENRG, VE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005